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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/746,171	12/21/2000	Marc Thomas Edgar	85CF-00109	2919

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EXAMINER

ALPERT, JAMES M

ART UNIT PAPER NUMBER

3624

DATE MAILED: 04/14/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/746,171

Applicant(s)

EDGAR ET AL.

Examiner

James Alpert

Art Unit

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– The MAILING DATE of this communication appears on the cover sheet with the correspondence address –

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 26 January 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-31 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-31 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### **DETAILED ACTION**

The following communication is in response to Applicant's amendment filed on 01/26/2006.

#### **Status of Claims**

Claims 6,8,12,16,18,22,26,28 are original. Claims 1,11,21 are currently amended. Claims 2-5,7,9-10,13,14-15,17,19-20,23-25,27,29-30 are previously presented. Claim 31 is new, and there are no canceled claims. Claims 1-31 are currently pending.

#### **Response to Arguments**

**With regard to the rejections under 35 U.S.C 103**, Applicant's arguments filed have been fully considered, and are persuasive. Therefore, these rejections are withdrawn. However, please consider the following rejections and objections.

#### **Claim Rejections - 35 USC § 112**

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-31 are rejected under 35 U.S.C §112 as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

**With regard to Claims 1**, the examiner would point out the following passages that are a source of confusion.

1) In the first limitation ("segmenting the portfolio..."), although a portfolio of assets is divided into at least two valuation portions, future reference to these portions is not

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preceded by the word “valuation”, making it unclear whether the word portion is referring to one of the valuation portions or a different portion created unto itself.

2) In the second limitation (“at least one of ...”), the use of the phrase, “a first portion” is unclear. Is this phrase referring to one of the previous valuation portions or a new valuation portion?

3) In the second limitation, the phrase “for computing a value...” appears to be a statement of intended use. MPEP 2106(II) states:

Language that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. The following are examples of language that may raise a question as to the limiting effect of the language in a claim:

(A) statements of intended use or field of use;

If the word “and” were substituted for the word “for”, the claim would positively recite a necessary step, instead of suggesting a use.

4) In the fourth limitation, the phrase “using the computer to statistically infer” appears to be a statement of intended use. Using the phrase, “statistically inferring, using the computer, a value...”, would positively recite a necessary step.

5) In the first step describing the correlation process (“identifying at least two...”), the phrase “for correlating with descriptive...” appears to be a statement of intended use. If the word “and” were substituted for the word “for”, the claim would positively recite a necessary step, instead of suggesting a use.

6) In the second step of the correlation process (“calculating a value...”), the term “for assets” is unclear whether it refers to each asset in the second portion or to particular assets selected by some rationally related means. The phrase “for each asset” would seemingly clear up this confusion.

- 7) In the second step of the correlation process, use of the word "having" is unclear, in that it is impossible to tell whether the assets are "having" or the first portion is "having". Use of the phrase "which have" would appear to correct this ambiguity.
- 8) There are similar ambiguities in Claim 31 where similar language is used that resemble the same language as used in Claim 1.

Further, with regard to Claims 2-30, the Examiner is aware that there may be further deficiencies in the claims of the variety described in the rejection of Claim 1. The applicants are requested to further review each of the remaining claims to locate any and all potential ambiguities and inconsistencies.

***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-31 are rejected under §101, as being directed to non-statutory subject matter. Despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "*abstract ideas*". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, the courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Thus, in order for a claimed invention to be statutory, the claimed invention must produce a useful, concrete and tangible result. "Usefulness" may be evidenced by, but not limited to, a specific utility of the claimed invention. "Concreteness" may be evidenced by, but not limited to, repeatability and/or implementation without undue experimentation. "Tangibility" may be evidenced by, but not limited to, a real or actual effect. Tangible is the antonym of abstract.

In the instant application, independent Claims 1 & 31 recite steps that manipulate characteristic data obtained by analyzing assets in a portfolio to arrive at a value of a response variable for some assets in the portfolio. The assets are grouped and displayed. The steps of Claims 1 & 31 are essentially steps in a mathematical algorithm, which is an abstract idea. The question is then whether the method is useful, concrete and tangible.

In order to be useful, the claimed invention as a whole must demonstrate utility that is specific, substantial, and credible. In the instant application, the displaying of groups does confer any benefit or serve any apparent purpose, in that all that is revealed is assets with their response variables. There are no additional steps that make use of the displayed information. The system is simply displaying the results of a mathematical calculation. Thus, the claims do not recite any utility that is specific, substantial or credible. Appropriate correction is required.

**Conclusion**

THIS ACTION IS NON-FINAL. Any inquiry concerning this communication or earlier communications from the examiner should be directed to James Alpert whose telephone number is (571) 272-6738. The examiner can normally be reached on M-F 9:30-6:00. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197.

James M. Alpert  
April 12, 2006



**JAGDISH N. PATEL  
PRIMARY EXAMINER**